

**Jul-Sep'26
Earnings
Preview**

Education

October 07, 2026

Coverage Universe

Name of the Company	Rating	CMP (INR)	TP (INR)
DOMS Industries	Buy	2,067	2,783
Flair Writing Industries	BUY	228	397

RM inflation continues to weigh on margins

Quick Pointers

- **EBITDA of our stationery coverage universe to decline 17.7% YoY in 2QFY27E**

While education companies under our coverage are expected to report 12.2% YoY growth in topline, continued raw material inflation is likely to put pressure on margins. DOMS IN is likely to report 16.5% YoY growth in topline driven by the core stationery business. However, FLAIR IN is likely to report a growth of 4.5% YoY impacted by export headwinds linked to geopolitical tensions in West Asia and production loss arising from excessive rains in Gujarat. Margin pressure is expected to persist given elevated crude-linked input costs, with DOMS IN's EBITDA margin likely to contract 567bps YoY to 11.9% while FLAIR IN's EBITDA margin is likely to decline 296bps YoY to 15.8%. Retain 'BUY' on DOMS IN with TP of INR2,783 and FLAIR IN with TP of INR397.

EBITDA margin of DOMS IN to contract by 567bps YoY to 11.9%: DOMS IN is likely to report 16.5% YoY growth in topline to INR6,614mn in 2QFY27E. The core stationery revenue is likely to grow by 16.5% YoY to INR6,064mn. On the other hand, hygiene business is expected to report a revenue growth of 16.0% YoY to INR550mn. EBITDA margin is likely to contract by 567bps YoY to 11.9% on the back of raw material inflation. We cut our EPS estimates by 6% for FY27E on the back of weak margin performance anticipated in 2QFY27E. We retain 'BUY' on the stock with TP of INR2,783 as we roll forward our valuation to Sep-28E (45x Sep-28E EPS; earlier 50x).

FLAIR IN's topline growth under pressure: We expect FLAIR IN's topline to increase by a modest 4.5% YoY to INR3,354mn amid weak export performance due to the geopolitical challenges in West Asia and production loss arising from excessive rains in Gujarat. On the other hand, EBITDA margin is expected to contract by 296bps YoY to 15.8%, reflecting the impact of rising crude derivatives. We retain 'BUY' on the stock with TP of INR397 as we roll forward our valuation to Sep-28E (21x Sep-28E EPS; earlier 23x).

Exhibit 1: Q2FY27 Result Preview (INR mn)

Company Name		Q2FY27E	Q2FY26	YoY gr. (%)	Q1FY27	QoQ gr. (%)	Remark
DOMS Industries	Sales	6,614	5,679	16.5	6,705	(1.4)	We expect DOMS IN's topline to increase 16.5% YoY to INR6,614mn. The core stationery revenue is likely to grow by 16.5% YoY to INR6,064mn, while hygiene business is expected to report a revenue growth of 16.0% YoY to INR550mn. Overall, EBITDA margin is expected to decline to 11.9% for the quarter due to raw material price inflation.
	EBITDA	784	995	(21.2)	826	(5.1)	
	Margin (%)	11.9	17.5	-567 bps	12.3	-46 bps	
	PBT	559	818	(31.7)	611	(8.6)	
	Adj. PAT	391	583	(32.8)	445	(12.0)	
Flair Writing Industries	Sales	3,354	3,209	4.5	3,192	5.1	We expect FLAIR IN's topline to increase by 4.5% YoY to INR3,354mn impacted by weak stationery exports amid ongoing geopolitical challenges in West Asia. On the margin front, EBITDA margin is expected to decline to 15.8% (down 296bps YoY) reflecting the impact of cost inflation.
	EBITDA	531	604	(11.9)	533	(0.4)	
	Margin (%)	15.8	18.8	-296 bps	16.7	-87 bps	
	PBT	405	542	(25.4)	390	3.8	
	Adj. PAT	301	426	(29.3)	286	5.5	

Source: Company, PL

Exhibit 2: Valuation Summary

Company Name	C/S	Rating	CMP (INR)	TP (INR)	Mcap (INR bn)	Sales (INR mn)				EBITDA (INR mn)				Adj. PAT (INR mn)				EPS (INR)				RoE (%)				PE (x)			
						FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E
DOMS Industries	C	BUY	2,067	2,783	125.5	23,264	28,004	34,094	40,261	4,026	3,799	5,728	7,187	2,302	1,990	3,282	4,224	37.9	32.8	54.1	76.6	20.7	15.1	20.9	21.9	54.5	63.0	38.2	27.0
Flair Writing Industries	C	BUY	228	397	24.0	12,501	14,336	16,539	18,526	2,245	2,366	3,012	3,372	1,398	1,406	1,867	2,119	13.3	13.3	17.7	24.1	12.9	11.7	13.7	13.7	17.2	17.1	12.9	9.4

Source: Company, PL C=Consolidated / S=Standalone

Exhibit 3: Change in Estimates

	Rating		Target Price			Sales (INR mn)						PAT (INR mn)						EPS (INR)					
						FY27E			FY28E			FY27E			FY28E			FY27E			FY28E		
	C	P	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.
DOMS Industries	BUY	BUY	2,783	2,703	2.9%	28,004	28,004	0.0%	34,094	34,094	0.0%	1,990	2,114	-5.9%	3,282	3,281	0.0%	32.8	34.8	-5.9%	54.1	54.1	0.0%
Flair Writing Industries	BUY	BUY	397	409	-3.0%	14,336	14,336	0.0%	16,539	16,539	0.0%	1,406	1,405	0.1%	1,867	1,875	-0.4%	13.3	13.3	0.1%	17.7	17.8	-0.4%

Source: Company, PL C = Current / P = Previous

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Apeejay Surrendra Park Hotels	BUY	156	112
2	Chalet Hotels	BUY	991	805
3	Delhivery	HOLD	503	473
4	DOMS Industries	Buy	2703	2253
5	Flair Writing Industries	BUY	409	248
6	Imagicaaworld Entertainment	BUY	62	47
7	Indian Railway Catering and Tourism Corporation	BUY	706	507
8	InterGlobe Aviation	Hold	4520	5024
9	Lemon Tree Hotels	BUY	143	108
10	Mahindra Logistics	Buy	507	391
11	Nazara Technologies	BUY	378	353
12	PVR Inox	BUY	1307	1064
13	Safari Industries (India)	Buy	1953	1505
14	Samhi Hotels	BUY	201	174
15	TCI Express	HOLD	576	580
16	V.I.P. Industries	SELL	246	308
17	Zee Entertainment Enterprises	BUY	116	94

PL's Recommendation Nomenclature (Absolute Performance)

BUY	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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